The Nova Scotia Primary Forest Products Marketing Board

Summary Report of

Survey Results and Prices for Standing Timber Sales from Nova Scotia Private Woodlots

for the period

January 1 to June 30, 2005

Prepared By:

Innovative Resource Elements

November 21, 2005

This report is a summary of the results from the stumpage survey that was completed during the late summer of 2005. The detailed report is available from Nova Scotia Primary Forest Products Marketing Board (see contact information at the end of this report).

Tables 1,2 and 3 highlight the results of the stumpage survey and covers the period from January 1 to June 30, 2005. This is the second of four scheduled surveys that are to be completed over a 2 year period.

The provincial results have been separated into three regions, Eastern Central and Western which are shown in Figure 1.

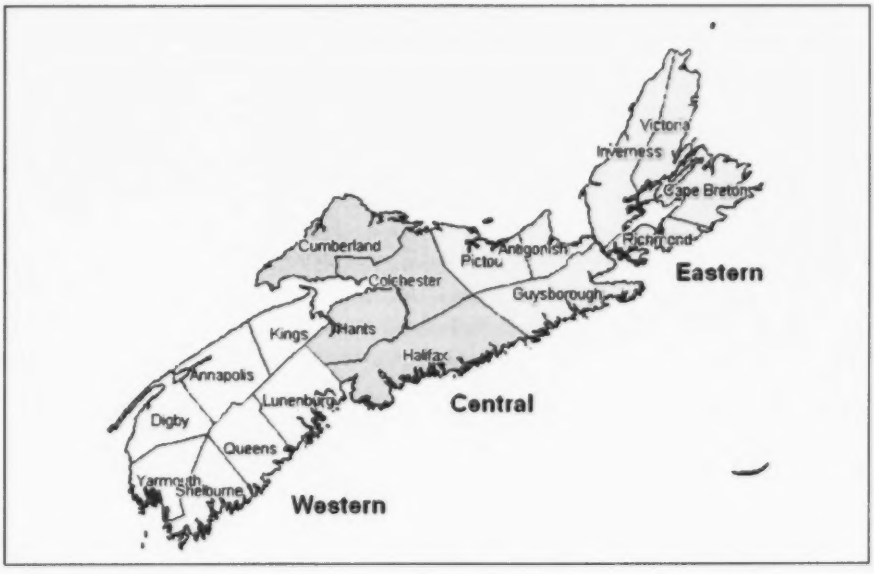

Figure 1: Regions Used to Report Nova Scotia Stumpage Prices.

The tables provide product specific stumpage rates reported for each region. Each product has an average, an upper value and a lower value. The upper and lower values give an indication of the range of survey responses that were reported during the survey (+/- one standard deviation). The tables include a rating of the mean based on the coefficient of variation which provides an indication of the reliability of the mean value. The results from the previous 6 month period (July 1 to December 31, 2004) are also provided for comparison purposes.

The tables show modified stumpage rates that were normalized using modifiers that were developed from data obtained during face to face interviews with participants that were completed during the winter of 2005. The modifiers are designed to adjust

reported stumpage values if favourable or unfavourable conditions existed for the stumpage transaction reported during the survey.

The Regional User Guides (Tables 4, 5 and 6) are provided which allow users to convert the regional survey results to a particular job or woodlot. The following example highlights the steps required to make the necessary adjustments.

A woodlot owner in central Nova Scotia wishes to obtain an estimate of the current stumpage value for a white spruce stand on his farm woodlot. With a harvest block in mind, a landowner can make the necessary conversions from the regional tables to suit local conditions:

The Regional Stumpage Report for the Central Region (Table 2) shows that the average normalized price for spruce sawlogs is $\$23.90/m^3$. The average value has a 'very good' rating. By referencing the Central Regional Users Guide, the operating condition thresholds can be determined. For this example, assume that the total harvest is expected to yield 350 m^3 of sawlog grade wood. The user guide indicates that at job size volumes less than 555 m^3, a reduction of 12.1% is reasonable for the region. On the other hand, assume the stand is relatively pure spruce and there is only 4% hardwood scattered through out the harvest block. The regional user guide indicates that in harvest blocks with less than 8% hardwood, a 10.9% premium on stumpage may be achievable.

Therefore:

(Sum the negative and positive modifiers) **(-12.1% + 10.9%) = -1.2%**
(Convert the normalized rate) **($\$23.90/m^3$ x [1 - 0.012]) = $\$23.61/m^3$**

The final result is $\$23.61/m^3$ which can be converted to $/Mfbm by multiplying the result by 5.66 (various conversion factors are shown in Table 7):

(Convert $/m3 to $/Mfbm) **($\$23.61/m^3$ x 5.66) = $133.63/Mfbm**

Alternatively, the normalized price is also presented in Mfbm at the right hand side of the table. Simply replace the price/m^3 with the $/Mfbm and the result will not have to be converted:

Therefore:

(Sum the negative and positive modifiers) **(-12.1% + 10.9%) = - 1.2%**
(Convert the normalized rate) **($135.27 x [1 - 0.012]) = $133.65/Mfbm**

Products with less than 3 survey responses were too small to calculate upper/lower standard deviations and ratings. If data was not reported for a product, values were calculated by deducting regional operating costs from regional product price lists.

This is a summary of the survey findings and anyone can obtain a copy of the final report by contacting the Nova Scotia Primary Forest Products Marketing Board at the following address:

Suite 804, Queen Square
45 Alderney Drive
Dartmouth, Nova Scotia
B2Y 2N6

Phone (902) 424-7598
Fax (902) 424-6965

For information on the use of modifiers, please contact Kirk Schmidt at (902) 922-3607.

Table 1: Eastern Region Stumpage Report
January 1 to June 30, 2005

		Normalized Formal Price ($/ m³)				Normalized Price ($/ UNIT)		
Products	Values	Current Period	Rating	Previous Period	Rating	Current Period	Previous Period	UNIT
Softwood (SPF) #1 Pulpwood (N=10)	SDA	$14.27		$13.37		$33.11	$30.02	Cord
	Mean	$12.18	Very Good	$10.16	Very Good	$28.26	$23.57	Cord
	SDB	$10.08		$6.96		$23.38	$16.15	Cord
Softwood SPF #2 Pulp (N=7)	SDA	$17.18		n/a		$39.86	n/a	Cord
	Mean	$11.82	Acceptable	$12.93	n/a	$27.42	$30.00	Cord
	SDB	$6.46		n/a		$14.99	n/a	Cord
Softwood (SPF) Studwood (N=12)	SDA	$25.26		$20.74		$58.60	$48.12	Cord
	Mean	$19.00	Very Good	$14.90	Very Good	$44.08	$34.57	Cord
	SDB	$12.74		$9.06		$29.55	$21.02	Cord
Softwood (SP) Sawlog (N=7)	SDA	$28.35		$22.27		$160.46	$126.05	Mfbm
	Mean	$21.95	Good	$16.25	Very Good	$124.24	$91.98	Mfbm
	SDB	$15.55		$10.23		$88.01	$57.90	Mfbm
Softwood (F) Sawlog (N=6)	SDA	$26.63		n/a		$150.72	n/a	Mfbm
	Mean	$20.32	Good	$17.24	n/a	$115.01	$97.58	Mfbm
	SDB	$14.00		n/a		$79.24	n/a	Mfbm
White Pine (N=0)	SDA	No Data		No data		No Data	No Data	Mfbm
	Mean	$8.87*	n/a	$10.94*	n/a	$50.20	$61.92*	Mfbm
	SDB	No Data		No data		No Data	No Data	Mfbm
Hemlock / Larch (N=4)	SDA	$15.79		n/a		$89.37	n/a	Mfbm
	Mean	$11.12	Poor	$11.88	n/a	$62.93	$67.24	Mfbm
	SDB	$6.44		n/a		$36.45	n/a	Mfbm
Hardwood Pulp (N=5)	SDA	$6.72		$5.59		$12.97	$10.79	Cord
	Mean	$5.34	Good	$4.57	Very Good	$10.31	$8.82	Cord
	SDB	$3.96		$3.55		$7.64	$6.85	Cord
Hardwood Pallet (N=3)	SDA	$13.01		$9.65		$25.11	$18.62	Cord
	Mean	$9.30	Poor	$7.48	Good	$17.94	$14.44	Cord
	SDB	$5.58		$5.31		$10.77	$10.25	Cord
Hardwood Sawlog (N=4)	SDA	$33.74		$32.18		$190.96	$182.14	Mfbm
	Mean	$27.39	Good	$23.88	Good	$155.03	$135.16	Mfbm
	SDB	$21.03		$15.57		$119.03	$88.13	Mfbm
Hardwood Veneer (N=3)	SDA	$75.04		n/a		$424.73	n/a	Mfbm
	Mean	$57.40	Acceptable	$34.56	n/a	$324.88	$195.61	Mfbm
	SDB	$39.76		n/a		$225.04	n/a	Mfbm
Hardwood Fuelwood (N=1)	SDA	n/a		$7.97		n/a	$15.38	Cord
	Mean	$3.92	n/a	$5.48	Acceptable	$7.56	$10.58	Cord
	SDB	n/a		$2.99		n/a	$5.77	Cord

RATINGS

Coefficient of Variance	Estimate Quality
CV <= 5%	Excellent
5% < CV <= 10%	Very Good
10% < CV <= 15%	Good
15% < CV <= 20%	Acceptable
20% < CV <= 25%	Poor
CV > 25%	Unreliable

Other	Meaning
N	Sample Size
n/a	Not Available
SDA	Standard Deviation Above
SDB	Standard Deviation Below
*	Value Derived from Residual Calculation

Table 2: Central Region Stumpage Report
January 1 to June 30, 2005

Products	Values	Normalized Formal Price ($ / m³)				Normalized Price ($ / UNIT)		
		Current Period	Rating	Previous Period	Rating	Current Period	Previous Period	UNIT
Softwood (SPF) #1 Pulpwood (N=11)	SDA	$14.06		$14.69		$32.62	$34.08	Cord
	Mean	$10.64	Very Good	$10.62	Very Good	$24.68	$24.64	Cord
	SDB	$7.22		$6.55		$16.75	$15.20	Cord
Softwood (SPF) #2 Pulp (N=8)	SDA	$8.26		$6.06		$19.16	$14.06	Cord
	Mean	$5.97	Good	$4.40	Very Good	$13.85	$10.21	Cord
	SDB	$3.68		$2.74		$8.54	$6.36	Cord
Softwood (SPF) Studwood (N=14)	SDA	$28.64		$26.10		$66.44	$60.55	Cord
	Mean	$23.39	Very Good	$20.52	Very Good	$54.26	$47.61	Cord
	SDB	$18.14		$14.94		$42.08	$34.66	Cord
Softwood (SP) Sawlog (N=10)	SDA	$29.49		$30.97		$166.91	$175.29	Mfbm
	Mean	$23.90	Very Good	$24.25	Very Good	$135.27	$137.26	Mfbm
	SDB	$18.31		$17.52		$103.63	$99.16	Mfbm
Softwood (F) Sawlog (N=3)	SDA	$31.40		$33.00		$177.72	$186.78	Mfbm
	Mean	$28.75	Very Good	$24.32	Good	$162.72	$137.65	Mfbm
	SDB	$26.10		$15.64		$147.73	$88.52	Mfbm
White Pine (N=1)	SDA	n/a		$19.49		n/a	$110.31	Mfbm
	Mean	$21.31	n/a	$15.83	Very Good	$120.61	$89.60	Mfbm
	SDB	n/a		$12.17		n/a	$68.88	Mfbm
Hemlock / Larch (N=3)	SDA	$13.10		$18.01		$74.15	$101.94	Mfbm
	Mean	$10.28	Acceptable	$11.35	Acceptable	$58.18	$64.24	Mfbm
	SDB	$7.46		$4.69		$42.22	$26.54	Mfbm
Hardwood Pulp (N=8)	SDA	$11.48		$11.45		$22.16	$22.10	Cord
	Mean	$7.06	Poor	$7.06	Good	$13.62	$13.63	Cord
	SDB	$2.65		$2.67		$5.11	$5.15	Cord
Hardwood Pallet (N=2)	SDA	$10.40		n/a		$20.07	n/a	Cord
	Mean	$7.82	Poor	$9.85	n/a	$15.09	$19.01	Cord
	SDB	$5.25		n/a		$10.13	n/a	Cord
Hardwood Sawlog (N=4)	SDA	$23.22		$26.68		$131.42	$151.01	Mfbm
	Mean	$17.98	Acceptable	$21.40	Good	$101.77	$121.12	Mfbm
	SDB	$12.73		$16.12		$72.05	$91.39	Mfbm
Hardwood Veneer (N=1)	SDA	n/a		No Data		n/a	n/a	Mfbm
	Mean	$40.09	n/a	109.13*	n/a	$226.91	$617.68*	Mfbm
	SDB	n/a		No Data		n/a	n/a	Mfbm
Hardwood Fuelwood (N=1)	SDA	n/a		$9.97		n/a	$19.24	Cord
	Mean	$7.14	n/a	$7.22	Good	$13.78	$13.93	Cord
	SDB	n/a		$4.47		n/a	$8.63	Cord

RATINGS

Coefficient of Variance	Estimate Quality
CV <= 5%	Excellent
5% < CV <= 10%	Very Good
10% < CV <= 15%	Good
15% < CV <= 20%	Acceptable
20% < CV <= 25%	Poor
CV > 25%	Unreliable

Other	Meaning
N	Sample Size
n/a	Not Available
SDA	Standard Deviation Above
SDB	Standard Deviation Below
*	Value Derived from Residual Calculation

Table 3: Western Region Stumpage Report
January 1 to June 30, 2005

Products	Values	Normalized Formal Price ($ / m³)				Normalized Price ($ / UNIT)		
		Current Period	Rating	Previous Period	Rating	Current Period	Previous Period	UNIT
Softwood (SPF) # 1 Pulp (N=7)	SDA	$15.04		$9.33		$34.89	$21.65	Cord
	Mean	$8.77	Unreliable	$7.06	Very Good	$20.35	$16.38	Cord
	SDB	$2.49		$4.79		$5.78	$11.11	Cord
Softwood (SPF) # 2 Pulp (N=6)	SDA	$10.64		$4.64		$24.68	$10.76	Cord
	Mean	$8.20	Good	$2.88	Unreliable	$19.02	$6.68	Cord
	SDB	$5.77		$1.12		$13.39	$2.60	Cord
Softwood (SPF) Studwood (N=6)	SDA	$32.20		$34.58		$74.70	$80.22	Cord
	Mean	$25.41	Good	$24.00	Good	$58.95	$55.68	Cord
	SDB	$18.62		$13.43		$43.20	$31.16	Cord
Softwood (SP) Sawlog (N=14)	SDA	$33.04		$35.89		$187.01	$203.14	Mfbm
	Mean	$26.09	Very Good	$29.77	Very Good	$147.67	$168.50	Mfbm
	SDB	$19.15		$23.65		$108.39	$133.86	Mfbm
Softwood (F) Sawlog (N=7)	SDA	$31.30		$30.20		$177.16	$170.96	Mfbm
	Mean	$24.42	Good	$25.25	Very Good	$138.22	$142.92	Mfbm
	SDB	$17.53		$20.31		$99.22	$114.95	Mfbm
White Pine (N=8)	SDA	$27.08		$25.79		$153.27	$145.97	Mfbm
	Mean	$21.38	Very Good	$20.60	Very Good	$121.01	$116.60	Mfbm
	SDB	$15.77		$15.41		$89.26	$87.22	Mfbm
Hemlock / Larch (N=4)	SDA	$24.30		$17.16		$137.54	$97.12	Mfbm
	Mean	$17.83	Acceptable	$12.86	Good	$100.92	$72.19	Mfbm
	SDB	$11.37		$8.55		$64.35	$48.39	Mfbm
Hardwood Pulp (N=4)	SDA	$11.53		$13.41		$22.25	$25.88	Cord
	Mean	$9.27	Good	$9.01	Acceptable	$17.89	$17.39	Cord
	SDB	$7.02		$4.60		$13.55	$8.88	Cord
Hardwood Pallet (N=0)	SDA	No Data		No Data		No Data	No Data	Cord
	Mean	No Data	n/a	No Data	n/a	No Data	No Data	Cord
	SDB	No Data		No Data		No Data	No Data	Cord
Hardwood Sawlog (N=2)	SDA	$35.95		n/a		$203.48	n/a	Mfbm
	Mean	$33.16	Very Good	$29.84	n/a	$187.68	$168.89	Mfbm
	SDB	$30.37		n/a		$171.89	n/a	Mfbm
Hardwood Veneer (N=0)	SDA	No Data		No Data		No Data	No Data	Mfbm
	Mean	$145.87*	n/a	No Data	n/a	$825.62*	$818.94*	Mfbm
	SDB	No Data		No Data		No Data	No Data	Mfbm
Hardwood Fuelwood (N=4)	SDA	$16.31		$10.39		$31.48	$20.05	Cord
	Mean	$11.98	Acceptable	$8.19	Good	$23.12	$15.81	Cord
	SDB	$7.65		$5.99		$17.76	$11.56	Cord

RATINGS

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5% < CV <= 10%	Very Good
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20% < CV <= 25%	Poor
CV > 25%	Unreliable

Other	Meaning
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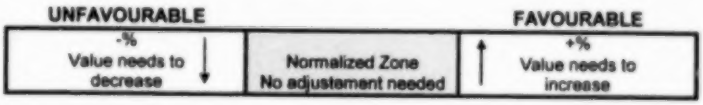
SDA	Standard Deviation Above
SDB	Standard Deviation Below
*	Value Derived from Residual Calculation

Table 4: Eastern Regional User Guide



Reported Value

Regional Average Normalized Value ($/m3)

Operating Conditions

Partial Harvest: Yes / No

Funding: No (-21.7%) / Yes

Adjustment to Specific Situation

	UNFAVOURABLE	Modifier	NORMAL	Modifier	FAVOURABLE
Job Size	Less than 113 cords (262 m3)	-18.5%		+12.6%	Greater than 1,495 cords (3,468 m3)
Roads	Greater than $4.92/cord ($2.12/m3)	-13.3%		+19.0%	Less than $2.67/cord ($1.15/m3)
Terrain	Greater than 36% of block with difficult conditions	-23.1%		+21.0%	Less than 6% of block with difficult conditions
Tree Size	Less than 6.3" dbh (16 cm)	-19.8%		+17.6%	Greater than 13.0" dbh (33 cm)
% Hardwood	Greater than 34% of block is hardwood	-13.2%		+18.5%	Less than 13% of block is hardwood
Haul Distance*	Greater than 1,886' (575 m)	-10.2%		0%	No adjustment if less than 1,886' (575 m)

* Average Forwarding or skidding distance

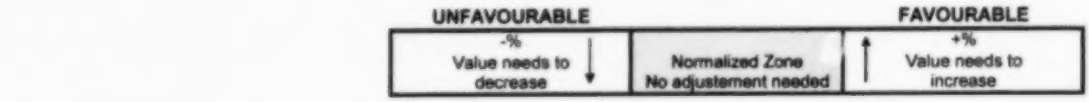
Sum of - % | Sum of + %

(-%) + (+%)

Output

Regional Averge Normalized Value ($/m3) X [1 + Sum of %] = Land Owners Stumpage Value ($/m3)

Table 5: Central Regional User Guide



Reported Value

Regional Average Normalized Value ($/m3)

Partial Harvest: Yes / No

Funding: No (-24.1%) / Yes

Operating Conditions

Adjustment to Specific Situation

	UNFAVOURABLE	Modifier	NORMAL	Modifier	Favourable
Job Size	Less than 239 cords (555 m3)	-12.1%		+11.5%	Greater than 1,093 cords (2,537 m3)
Roads	Greater than $5.01/cord ($2.16/m3)	-12.8%		+12.0%	Less than $4.18/cord ($1.80/m3)
Terrain	Greater than 38% of block with difficult conditions	-22.2%		+11.9%	Less than 10% of block with difficult conditions
Tree Size	Less than 5.9" dbh (15 cm)	-24.0%		+17.5%	Greater than 14.2" dbh (36 cm)
% Hardwood	Greater than 33% of block is hardwood	-14.8%		+10.9%	Less than 8% of block is hardwood
Blowdown	Greater than 29% of the block damaged	-23.4%		0%	No Adjustment if less than 29% damage
Haul Distance*	Greater than 2,460' (750 m)	-4.0%		0%	No adjustment if less than 2,460' (750m)

* Average Forwarding or skidding distance

Sum of - % / Sum of + %

(-%) + (+%)

Output

Regional Averge Normalized Value ($/m3) X [1 + Sum of %] = Land Owners Stumpage Value ($/m3)

Table 6: Western Regional User Guide

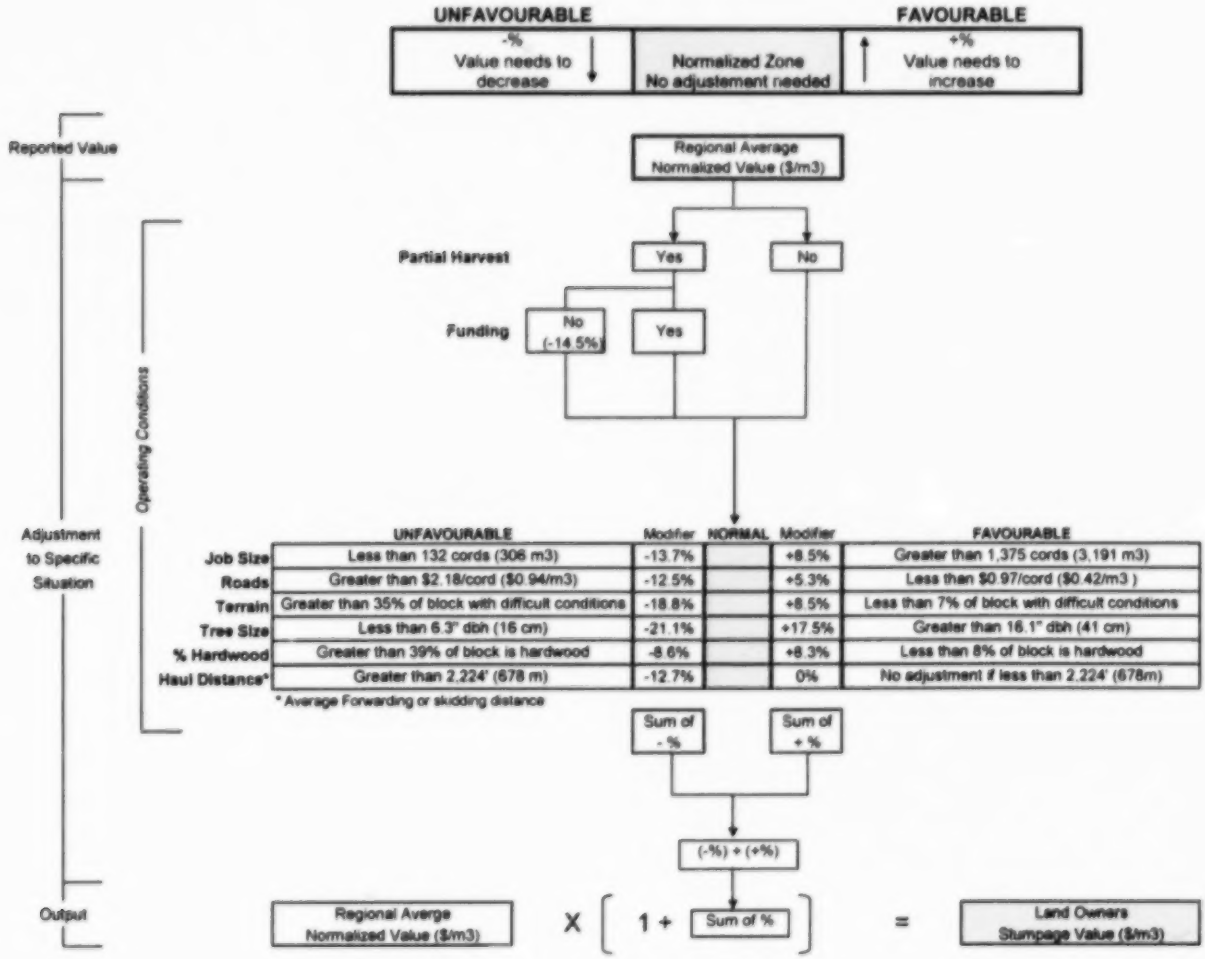


Table 7: Conversion Factors

Primary Forest Product Conversion Factors					
Common units of measure	Species	x	Factor	=	m^3
Mfbm	Softwood		5.66		1
Mfbm	Hardwood		5.66		1
Cords	Softwood		2.32		1
Cords	Hardwood		1.93		1
Tonnes	Softwood		1.17		1
Tonnes	Hardwood		0.96		1
m3 (solid)	Softwood		0.431		1
m3 (solid)	Hardwood		0.518		1
M3 (stacked)	Softwood		0.64		1
M3 (stacked)	Hardwood		0.53		1
fbm	Softwood		0.01		1
fbm	Hardwood		0.01		1
tons	Softwood		1.06		1
tons	Hardwood		0.87		1
Source: Nova Scotia Registry of Buyers					